



# MARINE CORPS INSTALLATIONS EAST CONTRACTING OFFICE

## PROCUREMENT TRAINING

# Mission Statement

MARINE CORPS INSTALLATIONS EAST CONTRIBUTES TO MARINE CORPS WAR FIGHTING EXCELLENCE BY: (1) PROVIDING TIMELY, INNOVATIVE AND EFFECTIVE PROCUREMENT SUPPORT FOR ALL CUSTOMERS; AND (2) TRAINING AND MENTORING MILITARY PROCUREMENT SPECIALIST TO CREATE ACCOMPLISHED, INDEPENDENT THINKING PROFESSIONALS

# Purpose

- The purpose of this training is to help our customers understand the procurement process in order to reduce the frequency of purchase request disapprovals, and better define requirements to allow maximum competition and best value while meeting mission needs.



# Overview

- Competition Requirements
- Identifying the Requirement
- Sources of Supply
- Market Research
- Defining the Requirement
- IGCE/IGE
- Waivers
- PR Builder
- Crossing Fiscal Years
- Fiscal Year Cutoffs



# **Competition Requirements**

## **Title 10 U.S.C. 2304 and 41 U.S.C. 3301 FAR Part 6 and FAR Part 11**

- Require (with certain limited exceptions) that KOs shall promote and provide for full and open competition in soliciting offers and awarding Government Contracts.
- KOs shall use the competitive procedures best suited to the circumstances, and consistent with the need to fulfill the Government's requirements efficiently.




# WHAT THIS MEANS TO YOU

Requirements shall not be written for a particular:

- Brand Name
- Product
- Feature of a product peculiar to one manufacturer

Activity should emphasize the necessary:

- Functional characteristics to be performed
- Performance characteristics required
- Essential physical characteristics



# **Identifying the Requirement**



# First Step in the Acquisition Process

Identify the Requirement by answering:

- Who needs it (customer)?
- What is being requested?
- Where will it be utilized?
- When is it needed?
- Why do you need the item?
- How does it hinder the units mission?



# Sources of Supply

# **FAR Part 8**

## **MAPS Part 8**

### Priorities for Use of Mandatory Sources:

- Inventories of the Requiring Agency
- Excess from other Agencies
- Federal Prison Industries, Inc.
- Procurement List for Committee for Purchase from People Who are Blind or Severely Disabled
- Wholesale Supply Sources (GSA, DLA, VA, Military Inventory Control Points)
- Coordinated Acquisition Program/Integrated Materiel Management Program





# Market Research


# Why Conduct Market Research

- Reveal Options for Best Practices
- Identify if Commercial Products and Technologies Could Meet the Government's Requirement
- Are Alternative Products and Technologies Available
- Assess the Competitiveness of the Market
- Current Market Price and Availability
- Identify Commercial Practices
- Identify Possible Socioeconomic Opportunities
- Identify the Size and Status of Potential Vendors
- Types of Interested Organizations

# Market Research Methods

- Contacting Knowledgeable Individuals
  - Market
  - Government
- Review Recent Market Research
- Querying Government Databases
- On-Line Websites that Provide Supplies and Services
- Acquisition Personnel
- Other Customers
- Review Catalogs



The background of the slide is a light beige color with a faint, technical drawing or architectural plan. It features a grid of lines and a prominent curved line that sweeps across the frame. The overall aesthetic is professional and technical.

# **Defining the Requirement**

# Types of Requirements

## Supply:

- A requirement for the procurement of an end item of supply; usually items or materials.

## Service:

- A requirement that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.

# Supply Requirement

## Contract Line Item

- This is the item requested, and will be stated as a complete item.

## Contract Line Item Description

- This is the functional, performance, and physical characteristics of the item requested.



# Service Requirement

## Contract Line Item

- This is the service to be performed.

## Performance Work Statement

- Scope
  - Breadth and Limitations of Work to be Done (Not How)
- Applicable Documents
  - Military Handbooks, Regulations, Technical Orders
- Tasks to be Performed
  - Measureable Standards
- Quality Assurance Surveillance Plan
  - Survey, Observe, Sample, Test, Evaluate, Document

# Brand Name or Equal

While the use of performance specifications is preferred, the use of brand name or equal purchase descriptions may be advantageous when the salient characteristics are firm requirements.

## Purchase Request Must Include:

- A Brand Name Justification
- Brand Name, Model # and Manufacturer Part #
- Description of those salient physical, functional, or performance characteristics of the brand name item that an “equal” item must meet to be acceptable for award.

# Sole Source

Supplies and services may be considered to be available from only one source if one of the following examples is met:

- The brand name product or feature is essential, and market research indicates that other similar products lack the feature, do not meet, or cannot be modified to meet the agency's need.
- Award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition or unacceptable delays in fulfilling the requirement.



# Sole Source Requirement

Purchase Request Must Include:

- A Sole Source Justification
- Brand Name, Model # and Manufacturer Part #
- Performance Work Statement (Services)
- Independent Government Cost Estimate



# **Independent Government Cost Estimate**

# What is an IGE/IGCE?

- Estimate of the resources and cost of those resources that would be incurred in the performance of the contract.
- It may be a complex breakdown, or a single item cost estimate.
- Should be tied to current market research.
- Must be Current, Valid, and Reliable.



# Why is a IGE/IGCE required?

- Used to Evaluate Proposals
- Ensure Contractor Understands the Requirement
- Determine Pre-Negotiation Objectives
- Indicator of the Resources Required
- Help Determine Fair and Reasonable Pricing
- It is Required by Acquisition Regulations

# Documenting the IGE/IGCE

There is no specific format for Government estimates. (Templates are Available)

Documentation submitted should answer:

- How the IGE/IGCE was Developed
- What Assumptions were Made
- What Information and Tools were Used
- Where the Information was Obtained and How Current it is



# Waivers



# Waiver Requirements

- It is the activity's responsibility to submit for, and receive all required waivers prior to submitting a PR to Contracting.
- A list of common waivers and where to go is available on our website.



# PR Builder

# PR Builder and its Benefits

PR Builder is a web-based tool which makes it easy to generate, track, and process PRs and funding documents from anywhere in the world where Internet access is available.

## Benefits:

- Easy to Use
- Customized Workflows (Reviews and Approvals)
- Interfaces with SABRS
- Interfaces and Populates the DoD's Standard Procurement System



# What to Attach in PR Builder

- Checklists
- Waivers
- Performance Work Statement
- IGE/IGCE
- Market Research Documentation
- Quotes
- Brand Name & Sole Source Justifications
- Urgency Impact Statement (Signed by CO)

# **Required Delivery Date Period of Performance**

This is the date that supplies must be delivered, or service must start before the Government starts to incur damages or is unable to perform mission.

RDD and Period of Performance stated on the PR must allow time to complete all acquisition requirements (PALT), manufacture, shipping, delivery or installation.

# Procurement Administrative Lead Time (PALT)

The PALT measures the number of days a procurement takes from acceptance of a complete PR package by the Contracting Office to the day of award.

## \$ Value    Acquisition Work Days

<\$25K All SAP 30

\$25K-\$150K Supplies 50

\$25K-\$150K Services 60

\$150K-\$6.5M In accordance with Acq Plan

Any GSA / BPA 60-90



# PR Priority Assignment

- Priority must be in accordance with the Uniform Movement and Issue Priority System (MCO 4400.16) Normal Derivation of Priority Designators for Requisition and Issue Transactions.
- Any Urgency of Need Designator other than Routine must include an Urgency Impact Statement (Signed by CO).



# **Crossing Fiscal Years**

# Bona Fide Need Supplies

Generally, bona fide need is determined by when the government actually requires (i.e., will be able to use) the supplies being acquired.

- Lead-Time Exception
  - Permitted to Consider Normal Production Lead Times
- Stock Level Exception
  - Replacement of Stock Consumed in the Current FY



# Bona Fide Need Services

Generally, services are a bona fide need of the fiscal year in which the services are performed. Thus service contracts have not normally been permitted to cover a period which involves two different fiscal years.

- Nonseverable Services Exception
- Statutory Exceptions

# **Nonseverable Services Exception**

If the services produce a single or unified outcome, product or report, the services are nonseverable and the government may fund the entire effort with dollars available for obligation at the time the contract is awarded and the contract execution may cross fiscal years.

- Essentially a single undertaking that cannot feasibly be subdivided.

# Statutory Exception

Authorized DoD agencies may obligate funds available at the time of contract award to finance a severable service contract with a period of performance not to exceed 12 months.

- This provides greater flexibility and allows better distribution of workload across the year for contracting offices.
- Service and DoD Agencies have the discretion to limit application of this exception.





# **Fiscal Year Cutoff**

# MCIEAST CONTRACTING FY15 GUIDANCE

DTG: 011215Z Oct 14

## PROCUREMENT

## CUT-OFF DATE NOTE

>\$1,000,000	03 APR 15	
\$150,000 - \$1,000,000	01 MAY 15	SVC \$150,000 -
\$1,000,000	10 JUL 15	SUP
\$3,000 - \$150,000	03 AUG 15	
< \$3,000 (GCPC)	Comptrollers May Set Cutoff Dates	
FY15 Task/Delivery Orders	28 AUG 15	

# Economy & NonEconomy Act

## ECONOMY ACT ORDERS

<u>ASSISTING ACTIVITY</u>	<u>THRESHOLD</u>	<u>CUT OFF</u>
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DOD AGENCY	\$2,500 TO \$5 MILLION	28 AUG 15
DOD AGENCY	\$5 MILLION OR GREATER	10 JUL 15
NON DOD AGENCY	\$2,500 OR GREATER	10 JUL 15

## NON ECONOMY ACT ORDERS

<u>ASSISTING ACTIVITY</u>	<u>THRESHOLD</u>	<u>CUT OFF</u>
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NON DOD AGENCY	\$2,500 TO \$5 MILLION	10 JUL 15
NON DOD AGENCY	\$5 MILLION OR GREATER	12 JUN 15



# Points of Contact

## **MCIEast Contracting Office**

Procurement Chief: 910-451-5182

eBusiness: 910-451-5520

Admin: 910-451-6641

Website:

<http://www.mcieast.marines.mil/StaffOffices/Contracting.aspx>

## **II MEF Operational Contracting Support Branch**

Branch Head: 910-451-9642

Branch Chief: 910-451-5808

The background of the slide is a blurred, sepia-toned image of a financial chart, likely a candlestick or bar chart, with a grid. A solid blue vertical bar runs along the right edge of the slide. The word "QUESTIONS" is centered in a bold, dark blue, sans-serif font.

# QUESTIONS